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CONTRACT NO. B-5111

EXHIBIT A

PART I - SUPPLIES AND SERVICES TO BE FURNISHED

A. The Contractor shall furnish the necessary personnel, supplies, facilities, consultants, and shall do all other things necessary to conduct studies of a theoretical and experimental nature to determine the feasibility of constructing an automatic or semi-automatic celestial navigational system for use in high altitude aircraft, as set forth in Appendix I of the definitive contract to be negotiated. Such system shall consider the problem of obtaining maximum accuracy with a minimum weight and requiring a minimum of time and attention of the operator. The Contractor agrees to perform such studies within the shortest possible time, commensurate with the magnitude of the problem and the maximum number of qualified personnel which can be brought to bear upon the problem.

B. Appendix I to the definitive contract shall set forth the design objectives in connection with said navigational system. Such design objectives shall set forth the requirements to be met by such navigational systems in terms of weight of the system, automatic features, operating area limitations, maximum tolerable error, and similar parameters.

C. As a result of the information revealed by the studies referred to above, the Government and the Contractor shall agree upon any compromises necessary in the tentative design objective to achieve a realizable system, and such final design objective shall be incorporated into a prototype of such navigational system, such prototype to be the subject of a separate contractual agreement.

PART II - REPORTS

A. The Contractor shall keep the Government informed of progress being made in the studies of said navigational system. The Contractor shall submit a final report of all work performed hereunder. Acceptance by the Government of such final report shall constitute acceptance of the work hereunder and shall entitle the Contractor to final payment hereunder.

PART III - PAYMENTS

A. In consideration of the Contractor's performance of the work under this contract, the Government shall pay the Contractor the sum of \$20,000, subject to redetermination of the final price of this contract, upward or downward, in accordance with the price redetermination clause to be incorporated in the definitive contract. Such redetermination clause is hereby agreed to be of the Form IV type, without the limitation of a maximum price.

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B. The Contractor may invoice the Government for costs incurred under this Letter Contract and the Government shall reimburse the Contractor for such costs on a progress payment basis. The Government shall pay invoices received under this contract within 10 days of receipt of such invoices.

PART IV - SPECIAL CONSIDERATIONS

A. The overhead rate and the G&A to be applied to direct labor shall be the current rate and G&A established by the cognizant military audit service in the Contractor's plant.

B. The premium portion of overtime is hereby agreed to be a direct charge to this contract, not subject to application of overhead but subject to G&A. The straight-time portion of overtime shall be treated the same as other direct labor.

PART V - PERIOD OF PERFORMANCE

A. The period of performance of this contract shall commence on 5 October 1955 and shall be completed no later than 17 November 1955.

PART VII - SPECIAL SECURITY RESTRICTIONS

A. The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters.

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